

## Message Text

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ACTION IO-13

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TAGS:AORG, ABUD, UN

SUBJECT: UN FINANCING: INTRODUCTION TO ANNUAL REPORT OF SYG

FOLLOWING ARE EXCERPTS FROM ADVANCE VERSION OF SYG'S REPORT  
DEALING WITH UN FINANCING WHICH ISSUED SEPTEMBER 2 AS DOCUMENT  
A/31/1/ADD. 1.

QUOTE

THE FINANCIAL SITUATION OF THE ORGAIZATION CONTINUES TO BE OF  
CONCERN, BOTH WITH RESPECT TO THE REGULAR BUDGET AND AS REGARDS  
ACTIVITIES SUPPORTED BY VOLUNTARY CONTRIBUTIONS. THE 54- MEMBER  
NEGOTIATING COMMITTEE ON THE FINANCIAL EMERGENCY OF THE UNITED  
NATIONS....HAS BEEN RE-EXAMINING THIS PROBLEM AND WILL REPORT TO  
THE THIRTY-FIRST SESSION. THE REGULAR BUDGET APPROVED FOR THE  
BIENNIUM 1976-1977 BY THE ASSEMBLY AT ITS THIRTIETH SESSION  
NOW STANDS AT \$740 MILLION. INFLATION AND CURRENCY FLUCTUATIONS  
HAVE CAUSED THE LEVEL OF EXPENDITURE ON REGULAR PROGRAMMES  
TO RISE, IN DOLLAR TERMS, AT AN UNPRECEDENTED RATE IN RECENT  
YEARS. PARTIALLY CONCEALED BY THESE FACTORS HAS BEEN THE REAL  
GROWTH OF THE BUDGET, AS RESOLUTIONS OF THE GENERAL ASSEMBLY  
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AND OTHER BODIES HAVE EACH YEAR RESULTED IN THE CREATION

OF NEW ORGANIZATIONAL UNITS AND ADDED NEW TASKS AND PROGRAMMES  
TO THOSE WITH WHICH THE ORGANIZATION IS ALREADY CHARGED.

INCREASING CONCERN OVER THE CONTINUOUS GROWTH IN SIZE OF THE  
BUDGET IS BEING EXPRESSED, PARTICULARLY BY THE MAJOR CONTRIBUTORS.  
THIS IS TRUE NOT ONLY FOR THE UNITED NATIONS ITSELF BUT  
ALSO FOR A NUMBER OF SPECIALIZED AGENCIES. IN THE  
UNITED NATIONS ITSELF, THE TIME MAY NOT BE FAR OFF WHEN  
WE SHALL HAVE TO ASK OURSELVES WHAT IS THE EXTENT OF REAL  
GROWTH IN THE REGULAR BUDGET WHICH CAN BE ACCEPTED AND SUPPORTED  
BY THE MEMBER STATES AS A WHOLE.

ACUTE FINANCIAL DIFFICULTIES HAVE ALSO BEEN ENCOUNTERED  
DURING THE PAST YEAR BY VARIOUS LONG-STANDING OPERATIONS AND  
PROGRAMMES SUPPORTED BY VOLUNTARY CONTRIBUTIONS...

IN ADDITION THERE IS A STEADY GROWTH OF SPECIAL FUNDS FOR ONE  
PURPOSE OR ANOTHER, ALL OF WHICH HAVE TO BE FLOATED BY APPEALS  
FOR VOLUNTARY CONTRIBUTIONS. SPECIAL APPEALS ARE ALSO MADE ON  
OCCASION BY THE EXECUTIVE HEADS OF SPECIALIZED AGENCIES FOR  
PURPOSES WITHIN THEIR RESPECTIVE AREAS OF COMPETENCE.

WHILE THERE IS CERTAINLY A GENERAL WISH AMONG THE MEMBERSHIP  
TO GIVE HELP IN EMERGENCY SITUATIONS. THE PROLIFERATION OF  
APPEALS FOR SUPPORT FOR EMERGENCY PROGRAMMES OR SPECIAL FUNDS  
IS CLEARLY BRINGING INTO EFFECT THE LAW OF DIMINISHING RETURNS.  
THE RESULT IS NOT ONLY TO FRUSTRATE EFFORTS TO LAUNCH NEW  
PROJECTS WITH A RESPECTABLE MEASURE OF SUPPORT BUT ALSO TO  
JEOPARDIZE THE VIABILITY OF LONG-STANDING AND VITAL ACTIVITIES  
OF THE ORGANIZATION SUPPORTED BY VOLUNTARY FUNDS. THIS TENDENCY  
DIMINISHES THE CAPACITY OF THE ORGANIZATION TO CARRY OUT ITS  
TRADITIONAL RESPONSIBILITIES AND TENDS ALSO TO IMPAIR ITS  
CREDIBILITY BOTH WITH THOSE COUNTRIES WHICH LOOK TO THE  
UNITED NATIONS FOR HELP AND WITH THE DONOR COUNTRIES WHICH  
ARE CONSTANTLY APPROACHED FOR FURTHER ADDITIONAL VOLUNTARY  
CONTRIBUTIONS.

THERE CAN BE NO DOUBT THAT THE UNITED NATIONS MUST REMAIN  
RESPONSIVE TO THE EMERGENCY NEEDS WHICH ARISE FROM TIME TO TIME  
IN DIFFERENT PARTS OF THE WORLD. THE CREATION OF SPECIAL  
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FUNDS UNQUESTIONABLY REFLECTS THE NEED FOR ADDITIONAL  
INTERNATIONAL ACTIVITY IN CERTAIN FIELDS. ON THE OTHER HAND  
WE MUST CLEARLY RECOGNIZE THE LIMITATIONS ON THE AVAILABILITY  
OF REALLY SUBSTANTIAL RESOURCES TO THE ORGANIZATION. THE  
BUDGETARY RESOURCES OF THE UNITED NATIONS ARE EXTREMELY  
MODEST IN RELATION TO ITS GLOBAL TASK AND THE ENORMOUS  
DIVERSITY OF ITS ACTIVITIES. ESPECIALLY IN TIMES OF ECONOMIC  
STRINGENCY, GOVERNEMENTS ARE INCREASINGLY RELUCTANT TO

RESPOND TO A MULTIPLICITY OF APPEALS FOR VOLUNTARY CONTRIBUTIONS OVER AND ABOVE THEIR REGULAR CONTRIBUTIONS. THE DILEMMA OF THE ORGANIZATION, AND INDEED OF THE SECRETARY-GENERAL, IS THAT WHILE MORE AND MORE NEW ACTIVITIES ARE CALLED FOR, THE RESPONSE TO APPEALS FOR VOLUNTARY CONTRIBUTIONS IS FAR FROM COMMENSURATE WITH THE FUNDS REQUIRED.

I BELIEVE, THEREFORE, THAT VERY SERIOUS THOUGHT SHOULD BE GIVEN TO ESTABLISHING A MORE ORDERLY AND PRODUCTIVE APPROACH TO THE MOBILIZATION OF RESOURCES IN THE WHOLE RANGE OF SITUATIONS WHICH CALL FOR SPECIAL ASSISTANCE FROM THE UNITED NATIONS. SUCH AN APPROACH SHOULD INCLUDE CRITERIA FOR THE SELECTION OF TASKS FOR WHICH RESOURCES ARE TO BE MOBILIZED AND MEANS BY WHICH THE OPTIMUM USE CAN BE MADE OF THE LIMITED RESOURCES AVAILABLE.

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